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C O N F I D E N T I A L SECTION 01 OF 03 SUVA 000409

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E.O. 12958: DECL: 08/14/2017

TAGS: [PREL](#) [PGOV](#) [MARR](#) [PHUM](#) [PINR](#) [EAID](#) [ECON](#) [KCRM](#) [TV](#)

SUBJECT: TUVALU: NEEDY AND SEEKING USG ASSISTANCE

REF: A. SUVA 398

[1](#)B. SUVA 402

Classified By: Amb. Dinger. Sec. 1.4 (B,D).

Summary

[1](#)1. (SBU) Tuvalu's Prime Minister Ielemia remains strongly interested in regaining the Peace Corps, accessing the Millennium Challenge Account, and providing skilled workers for Guam construction projects. He believes Fiji's Commodore Bainimarama should not attend the Pacific Islands Forum in Tonga. Parliament's passage of a bill to "de-corporatize" Tuvalu's one radio station and bring it back fully under government auspices accents media freedom issues. It appears PM Ielemia is gaining control over a fiscal mess he inherited from his predecessor. Tiny Tuvalu, with almost no resource base, always needs donor help and is not afraid to ask. See para 9 for opportunities. End summary.

Ielemia on PCVs, MCA, Guam, PIF/RIF, and Fiji

[1](#)2. (C) The Ambassador's July 16-19 visit to Tuvalu gave opportunity to review a range of bilateral and regional issues with Prime Minister Ielemia and his government. Ielemia reiterated Tuvalu's strong interest in reviving a Peace Corps program (ref A), tapping the Millennium Challenge Account, and contributing workers for Guam construction jobs. A number of highly skilled Tuvaluans returned last year from Nauru where they worked in the phosphate industry. Most are now unemployed. We described the state of play in Washington on PCVs and the MCA, and suggested Tuvalu prepare a skills data base for the day when Guam employment kicks in. Ielemia expressed ambivalence about the Pacific Island Forum (PIF) regional restructuring (RIF) proposal, and suggested Pacific leaders need to see a variety of options. Ielemia opined that Commodore Bainimarama should not attend the PIF meeting in Tonga because "nobody elected him" to lead Fiji.

Tinkering with the Constitution

[1](#)3. (SBU) A session of the 15-member Tuvalu Parliament was about to begin, with a constitutional amendment on the agenda: to increase the number of cabinet ministers from 6 to [1](#)8. Tuvalu governance has been plagued by one-vote parliamentary majorities. Just one member crossing the floor has repeatedly caused a change of government, complicating efficient political management. We hear that Parliament did approve, after considerable debate, the amendment to add two ministers, thereby sweetening the PM's ability to entice larger coalitions.

De-corporatizing the radio station?

14. (SBU) Another controversial measure for Parliament was an Ielemia proposal to "de-corporatize" the Tuvalu Media Corporation (TMC), Tuvalu's radio station and only media outlet. The TMC has always relied on government subsidies, which has led some governments to expect the broadcast of only good news. Corporatization a few years ago was intended to encourage the TMC to find other revenue sources. It also created an independent board of directors to insulate TMC editors and reporters from government influence. Commercial ad revenues remain very scant, and the corporatized TMC had to rely on ever-shrinking government subsidies, currently A\$80,000/year.

A worry about media insulation from politics

15. (C) To an extent the political-insulation aspect of corporatization worked, though we heard reports that the PM's office on occasion was still attempting to manage news. Last December when TMC broadcast a church leader's opinion that Taiwan is too influential in Tuvalu, the PM's office reportedly complained. Then, when a TMC producer passed a heads-up about a follow-on story, the PM's office ordered that the story not run. We hear that the TMC board fired the producer who had contacted the PM's office. When the PM attempted to force the producer's reinstatement, the Board refused. In July, the PM's office reportedly complained about a story on the effort to de-corporatize TMC. We heard that the PM's office considered the TMC board to be politicized, apparently with some justification since the chairman of the board was the former PM's wife. We are told

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Parliament did pass the de-corporatization bill, after an intense debate. That presumably means that the PM, who has the TMC portfolio, will now directly oversee the radio station. The Ambassador made clear the U.S. view that media freedom is essential in every democracy.

Legal gaps

16. (U) The general elections last August resulted in several lawsuits challenging results. In the end, the Tuvalu courts rejected all protests. No Tuvalu high court sittings have been possible since last April when the one People's Lawyer (public-defender) departed, leaving no lawyer available in Tuvalu, aside from the Attorney General's office. That will change shortly when a new People's Lawyer arrives, an Aussie coming from the same role in Kiribati. A case for the Tuvalu Court of Appeal concerning alleged discrimination against the Brethren church remains pending. The Court of Appeal has never convened, this is the first-ever appeal, and the Tuvalu Government has yet to find funds to bring in three judges from abroad. In the meantime, we were told that the Brethren sect has stopped attempting conversions.

Responding to a fiscal mess

17. (SBU) When Ielemia's new team took office after sweeping out nearly all members of former PM Toafa's government in last August's elections, they found a fiscal mess. They say government debt totaled A\$18 million, including a \$5 million "suspense account" deficit at the Tuvalu bank, kind of an overdraft facility. Ielemia reined in government expenses, including by stopping all ministerial travel overseas unless a foreign donor was paying. That must have been a shock, since historically Tuvalu ministers have traveled constantly, pulling in per diem. The Finance Minister said the debt total is now under A\$10 million. Rumor has it Taiwan contributed several million dollars to ease the burden. (See ref B for more on Taiwan assistance to Tuvalu). The Ielemia Government reports Tuvalu's well-managed trust fund also had suffered under PM Toafa, with nearly all annual proceeds being tapped for current expenses. The Ielemia Government

claims it has built the trust's B account, its rainy-day fund, from A\$1.2 million to A\$13 million.

Communications knock out

18. (U) In early July, a lightning bolt made a direct hit on Tuvalu Telecom's tower, knocking out nearly all communications. Three weeks later, commercial overseas phone service still was not available, and commercial internet service was so slow as to be unavailable in practical terms. However, a wireless network in the government building was up, running, and available to those with the right contacts. Late one afternoon, we observed the Taiwan Ambassador sitting on a folding chair beside the government-building front door, busily responding to e-mails on his laptop.

And a slew of requests

19. (U) Not surprisingly, any visitor to needy Tuvalu will receive numerous aid requests. The Ambassador fielded the following inquiries, making no promises but agreeing to pass requests along as appropriate:

-- As Tuvalu approaches its 30th anniversary of independence in 2008, might the USG make a contribution to the corpus of the Tuvalu Trust Fund? The trust was established by Australia, New Zealand, and the UK at independence, has benefited from professional management in Australia, and is seen as a regional model.

-- The U.S. military left materiel, including ammunition and 44 gallon drums of liquids, on land and in lagoons of three Tuvalu atolls used as WWII air fields. Tuvalu's Minister of Home Affairs seeks a DOD evaluation of health hazards and proper handling of any problems discovered.

-- The U.S. military dug extensive "borrow pits" on the capitol atoll, Funafuti, when building the WWII air field there. Tuvalu has long aspired to fill in the pits, remove eye sores, and reclaim precious land. The latest proposal is to buy aggregate at \$12/ton from a site in Fiji and transport it to Funafuti. The PM's office wondered if the USG will assist, given the problem's WWII origin. (Note: An Army

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Corps of Engineers study in 2003 estimated the total cost of such a reclamation project using Fiji soil would be US\$28.5 million.)

-- The Minister of Home Affairs expressed interest in a U.S. ship visit, perhaps by a Coast Guard cutter or a Navy frigate, something small enough not to overwhelm Funafuti. (Note: The Suva DAO is currently working on a near-term visit by a frigate.)

-- The Minister of Home Affairs asked if a ship visit could include a surveillance exercise with Tuvalu's patrol boat in the EEZ. (Note: Suva DAO is aware of the request.)

-- The Police Commissioner asked if the USG might provide training for Tuvalu police heading to peacekeeping operations. Tuvalu currently is participating in RAMSI in the Solomon Islands. (Note: It appears Tuvalu police will participate in an Australia-led exercise in Tonga at the end of August. U.S. forces will be there, too, and will presumably have an opportunity to help train the Tuvaluans.)

-- The Police Commissioner inquired about basic FBI training courses, particularly focused on money laundering and the possibility that some members of an expanding Chinese business community may have criminal intentions.

-- Ministers noted frequent offers of deals by international businessmen that sound attractive, maybe too attractive. Tuvalu has very limited ability to screen such offers. Could the USG assist the vetting process? We asked for details of

particular cases.

-- Tuvalu has an HIV/AIDs problem, imported by Tuvaluan seamen who roam the world on German merchant ships. The Minister of Health said he knows of 5 confirmed cases, which for a population of under 10,000 is worrying. Might the USG help with treatment?

-- The PM and Speaker both asked about educational scholarships to the U.S. We noted that educational institutions in the U.S. value diversity and provide extensive scholarship opportunities. We offered the Embassy's educational-advising services.

-- The Minister of Agriculture noted a crying need for a person with veterinary training, particularly to treat pigs.

Comment

¶10. (C) No government is perfect. The Ielemia team seems to have done a relatively effective job of addressing the previous government's fiscal sloppiness. On the other hand, the reported efforts to steer radio news are worrying, and a rumor was circulating in Funafuti that Ielemia added undeserving relatives to a list of those eligible for a post-cyclone assistance package. Since Tuvalu has almost no natural resources, officials are always in "ask" mode with donors. It is in the USG's interest to be responsive when there are convenient ways to do so. Tiny Tuvalu has a full vote in the UNGA and other international organizations, and even a little bit of aid has an impact.

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